

**RESOLUTION OF THE  
PORT AUTHORITY OF THE CITY OF SAINT PAUL**

**[RESOLUTION AUTHORIZING THE ISSUANCE OF CONDUIT REVENUE OBLIGATIONS FOR THE BENEFIT OF CONCORDIA UNIVERSITY, ST. PAUL, OR ANY OF ITS AFFILIATES; AUTHORIZING THE EXECUTION OF THE REVENUE OBLIGATIONS AND RELATED DOCUMENTS; AND TAKING OTHER ACTIONS RELATED THERETO]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is authorized by Minnesota Statutes, Sections 469.048 through 469.068 and 469.084, as amended (the "Port Authority Act"), and by Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Development Act"), to issue its revenue bonds to, among other things, finance, in whole or in part, the cost of the acquisition, construction, improvement, or extension of a revenue producing enterprise, whether or not operated for profit; and

WHEREAS, the revenue bonds issued under the Port Authority Act and the Development Act are not a debt of the City of Saint Paul (the "City"), are not secured by a pledge of the full faith and credit of the City, and are payable solely from the revenues expressly pledged to the revenue bonds; and

WHEREAS, Concordia University, St. Paul, a Minnesota nonprofit corporation, or any of its affiliates (the "Borrower"), has proposed that the Port Authority issue its conduit revenue obligations, in one or more series, as taxable or tax-exempt obligations (the "Notes"), in an estimated aggregate principal amount not to exceed \$5,500,000, for the benefit of the Borrower, for the purposes of (i) financing a portion of the costs of the acquisition of a building located at 393 North Dunlap Street in the City (the "Project") to be owned and operated by the Borrower for educational purposes; (ii) funding required reserves, if any; and (iii) paying costs of issuance of the Notes; and

WHEREAS, the Borrower has represented to the Port Authority that it is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as a result of the application of Section 501(c)(3) of the Code; and

WHEREAS, Section 147(f) of the Code, and regulations promulgated thereunder, and Section 469.154, subdivision 4 of the Development Act require that, prior to the issuance of the Notes, the Board of Commissioners of the Port Authority (the "Board") approve the issuance of the Notes after conducting a public hearing thereon preceded by publication of a notice of public hearing (in the form required by Section 147(f) of the Code and applicable regulations) in the official newspaper of the Port Authority and a newspaper of general circulation in the City at least fourteen (14) days prior to the public hearing date; and

WHEREAS, a notice of public hearing was published at least fourteen (14) days prior to the regularly scheduled meeting of the Board in the *Legal Ledger*, the official newspaper of the Port Authority, and in the *Pioneer Press*, a newspaper of general circulation in the City, with respect to the required public hearing under Section 147(f) of the Code and the Development Act; and

WHEREAS, on the date hereof, the Board conducted a duly noticed public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, on the issuance of the Notes pursuant to the requirements of Section 147(f) of the Code and the regulations promulgated thereunder; and

WHEREAS, pursuant to Section 469.154 of the Development Act, prior to the issuance of the Notes by the Port Authority, the Commissioner of the Minnesota Department of Employment and Economic Development (“DEED”) must approve the costs of the Project to be funded by the Notes on the basis of an application submitted by the Port Authority with all required attachments and exhibits (the “DEED Application”); and

WHEREAS, the Notes are proposed to be issued under the terms of this resolution, will be issued in one or more series, as taxable or tax-exempt obligations, and will be sold to Bremer Bank, National Association, a national banking association (the “Lender”); and

WHEREAS, the Port Authority will loan the proceeds derived from the sale of the Notes to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) between the Port Authority and the Borrower; and

WHEREAS, the Loan Agreement requires the Borrower to make loan repayments to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Notes when due, and the Port Authority will assign its rights to the loan repayments (excluding certain reserved rights of the Port Authority), additional payments, and certain other rights under the Loan Agreement to the Lender pursuant to the terms of a Pledge Agreement (the “Pledge Agreement”) between the Port Authority and the Lender; and

WHEREAS, in order to secure the Borrower’s obligations under the Loan Agreement, the Borrower will execute and deliver to the Lender a Combination Mortgage, Security Agreement, and Fixture Financing Statement (the “Mortgage”) and an Assignment of Leases and Rents (the “Assignment of Leases and Rents”); and

WHEREAS, the Borrower may execute, deliver, or cause to be executed and delivered, to the Lender one or more security agreements and/or guaranties as security; and

WHEREAS, Port Authority management has reviewed the proposal to issue the Notes with the Credit Committee, all as more specifically set forth in the staff memorandum on file, and the Credit Committee recommends approval of this resolution, the issuance of the Notes, and the execution of all documents outlined herein and in the staff memorandum, or otherwise necessary to the consummation of these transaction;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of Saint Paul, Minnesota, as follows:

1. The Board hereby finds, determines, and declares that:

(a) The issuance and sale of the Notes, the execution and delivery by the Port Authority of the Loan Agreement and the Pledge Agreement, and the performance of all covenants and agreements of the Port Authority contained in the Loan Agreement and the Pledge Agreement are undertaken pursuant to the Development Act.

(b) It is hereby found and determined that the Project furthers the purposes set forth in the Development Act, and therefore the Project constitutes a “project” within the meaning of Section 469.153, subdivision 2(b) of the Development Act. The Port Authority acknowledges, finds, determines, and declares that the issuance of the Notes is authorized by the Development Act and is consistent with the purposes of the Development Act and that the issuance of the Notes and the other actions of the Port Authority under the Loan Agreement, the Pledge Agreement, and this resolution constitute a public purpose and are in the best interests of the Port Authority.

(c) The loan repayments to be made by the Borrower under the Loan Agreement are fixed to produce revenues sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Notes issued under this resolution when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

(d) As provided in the Loan Agreement, the Notes shall not be payable from or charged upon any funds other than the revenues or funds and assets pledged to its payment, nor shall the Port Authority or the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Notes shall ever have the right to compel any exercise by the Port Authority or by the City of its taxing powers to pay any of the Notes or the interest or premium thereon, or to enforce payment thereof against any property of the Port Authority or the City except the interests of the Port Authority in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Notes shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Port Authority or the City, except the interests of the Port Authority in the Loan Agreement, and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Notes shall recite that the Notes are issued pursuant to the Development Act; that the Notes, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof; and that the Notes shall not constitute a debt of the Port Authority or the City within the meaning of any constitutional or statutory limitations.

2. In accordance with Section 469.154 of the Development Act, Port Authority staff are hereby authorized and directed to cause a draft copy of the DEED Application, together with drafts of all required attachments and exhibits, to be prepared by Kennedy & Graven, Chartered, as bond counsel (“Bond Counsel”). Port Authority staff and other officers, employees, attorneys, and agents of the Port Authority are hereby authorized to provide DEED with any information needed for this purpose, and Port Authority staff is authorized to initiate and assist in the preparation of such documents as may be deemed appropriate by Bond Counsel.

3. The Port Authority hereby authorizes the issuance of the Notes in a principal amount not to exceed \$5,500,000, subject to approval of the costs related to the Project by DEED. The Notes shall be issued pursuant to the terms set forth in the forms of Notes now on file with the Port Authority. The aggregate principal amount of the Notes, the interest rate of the Notes, the terms for adjustment of the interest rate on the Notes, the date of the documents referenced in this resolution and the Notes, and the terms of redemption of the Notes may be established or modified with the approval of the Port Authority. The execution and delivery of

the Notes shall be conclusive evidence that the Port Authority has approved such terms as subsequently established or modified. The offer of the Lender to purchase the Notes at the price of par plus accrued interest, if any, to the date of delivery at the interest rate or rates specified in the Notes is hereby accepted.

4. The Notes shall be special, limited obligations of the Port Authority payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement. The Board hereby authorizes and directs the Chair of the Port Authority (or any commissioner) and the President of the Port Authority (together, the "Port Authority Officials") to execute and deliver the Notes in substantially the forms now on file with the Port Authority. The Port Authority Officials are hereby authorized to execute and deliver any agreements with any depository institution, including any representation letter or amendment to any existing representation letter, in the event the Port Authority and the Lender elect to register the Notes in book-entry form.

5. The Loan Agreement and the Pledge Agreement are hereby approved in substantially the forms on file with the Port Authority on the date hereof. The terms of the Loan Agreement and the Pledge Agreement may be established or modified with the approval of the Port Authority. The execution and delivery of such documents shall be conclusive evidence that the Port Authority has approved such terms as subsequently established or modified. The Port Authority Officials are authorized and directed to execute and deliver the Loan Agreement and the Pledge Agreement. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed, and recorded as provided herein and in the Loan Agreement.

6. The Port Authority Officials and other officers, employees, and agents of the Port Authority are hereby authorized and directed to prepare and furnish to Bond Counsel and the Lender certified copies of all proceedings and records of the Port Authority relating to the issuance of the Notes, including a certification of this resolution. Such officers, employees, and agents are hereby authorized to execute and deliver, on behalf of the Port Authority, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Lender, or other persons or entities in conjunction with the issuance of the Notes. Without imposing any limitation on the scope of the preceding sentence, such officers, employees, and agents are specifically authorized to execute and deliver one or more certificates of the Port Authority, one or more endorsements of the Port Authority to the tax certificate of the Borrower, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Notes. The Port Authority hereby authorizes Kennedy & Graven, Chartered, acting as Bond Counsel, to prepare, execute, and deliver one or more approving legal opinions with respect to the Notes.

7. The Port Authority hereby authorizes the Borrower to provide such security for payment of its obligations under the Loan Agreement and for payment of the Notes, as is agreed upon by the Borrower and the Lender, and the Port Authority hereby approves the execution and delivery of such security, including but not limited to the Mortgage and the Assignment of Leases and Rents.

8. The United States Department of the Treasury has promulgated final regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the Port Authority or a borrower from the Port Authority for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the Port Authority adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the

original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within eighteen months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

To the extent any portion of the proceeds of the Notes will be applied to expenditures with respect to the Project, the Port Authority reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Notes after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Notes, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Development Act.

9. All agreements, covenants, and obligations of the Port Authority contained herein and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the Port Authority to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the Port Authority and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the Board, or of any officer, employee, or agent of the Port Authority in that person's individual capacity. Neither the members of the Board nor any officer executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance of the Notes.

10. Except as herein otherwise expressly provided, nothing herein or in the Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the Port Authority and the registered and beneficial owners of the Notes, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof or of the Loan Agreement or any provision thereof; this resolution, the Loan Agreement and all of their provisions being intended to be, and being for the sole and exclusive benefit of the Port Authority and the registered and beneficial owners of the Notes issued under the provisions of this resolution and the Loan Agreement, and the Borrower to the extent expressly provided in the Loan Agreement.

11. In case any one or more of the provisions of this resolution, other than the provisions contained in the first sentence of Section 4 hereof, or of the documents mentioned herein, or of the Notes issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Notes, but this resolution, the aforementioned documents, and the Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein. If for any reason the Port Authority Officials, or any other officers, employees, or agents of the Port Authority authorized to execute certificates, instruments, or other written documents on behalf of the Port Authority, shall for any reason cease to be an officer, employee, or agent of the Port Authority after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Port Authority Officials are unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the Board or any officer of the

Port Authority delegated the duties of such Port Authority Officials with the same force and effect as if such documents were executed and delivered by the Port Authority Officials.

12. The authority to approve, execute, and deliver future amendments to the Loan Agreement, the Pledge Agreement, and other financing documents entered into by the Port Authority in connection with the issuance of the Notes and the other transactions herein contemplated, is hereby delegated to the President of the Port Authority, subject to the following conditions: (i) such amendments do not require the consent of the holders of the Notes, or if such consent is required it has been obtained; (ii) such amendments do not materially adversely affect the interests of the Port Authority as the issuer of the Notes; (iii) such amendments do not contravene or violate any policy of the Port Authority; and (iv) such amendments are acceptable in form and substance to Bond Counsel. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Port Authority Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms thereof.

13. The Borrower has agreed to pay directly or through the Port Authority any and all costs paid or incurred by the Port Authority in connection with the transactions authorized by this resolution, whether or not the Notes are issued.

14. This resolution shall take effect and be in force from and after its passage.

Adopted: January 22, 2019

PORT AUTHORITY OF THE CITY OF  
SAINT PAUL

By \_\_\_\_\_  
Its Chair

ATTEST:

By \_\_\_\_\_  
Its Secretary